Government of Saskatchewan

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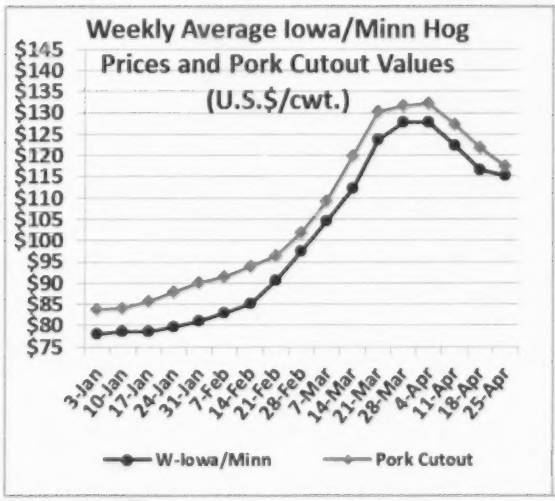
Weekly Hog Report

April 28, 2014

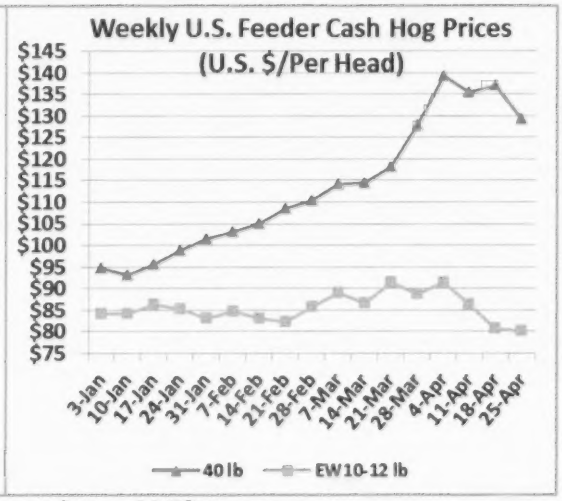
Over the last week there were a few new cases of **Porcine Epidemic Diarrhea (PED)** identified in hog barns in Ontario. There are currently 57 cases confirmed in hog barns in Ontario, one in Manitoba, one in PEI, and also one in Quebec for a total of 60 PED cases confirmed in hog barns in Canada.

Cash Feeder Hog Prices

Last week North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices moved lower. Weighted average cash prices for iso-weans (12lb) were US$80.10 per head, down US$0.60 per head from US$80.70 per head the previous week. Feeders (40lb) were US$129.14 per head, down US$7.74 per head from US$136.88 per head the previous week.



Source: LMIC



Source: LMIC

Cash Slaughter Weight Hog Prices

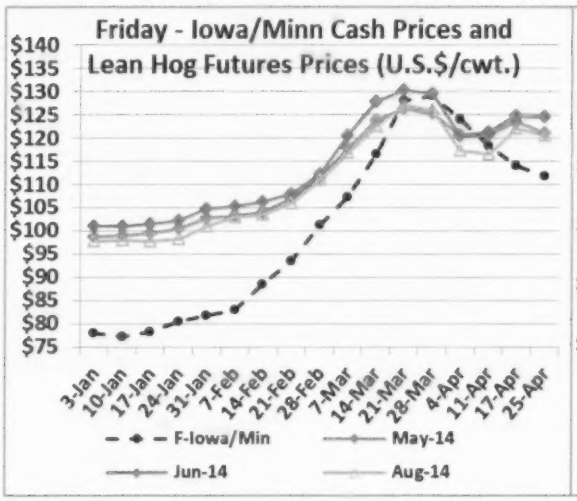
North American cash hog prices moved lower for the third week in a row as pork cutout values continued to decline and were US$4.39 per cwt lower from the previous week. Hog prices (Iowa/Minn) on Friday averaged US$111.70 per cwt, down US$2.31 per cwt or 2.0 per cent from US$114.01 per cwt the previous Friday. The daily average price over the week ranged from US$116.18 per cwt to US$111.70 per cwt. The negotiated base price for the week averaged US$115.21 per cwt, down US$1.20 per cwt or 1.0 per cent from US$116.41 per cwt the previous week.

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday April 25, 2014 was $233.45 per ckg, up $1.65 per ckg or 0.7 per cent from $231.80 per ckg the previous Thursday. Signature#3 weekly prices (Friday to Thursday) averaged $232.80 per ckg, down $2.76 per ckg or 1.2 per cent from the previous weeks' average price of $235.56 per ckg. The Canadian dollar edged lower last week closing the week Friday at 90.61 cents, down 0.19 cents from the previous Friday's close of 90.80 cents.

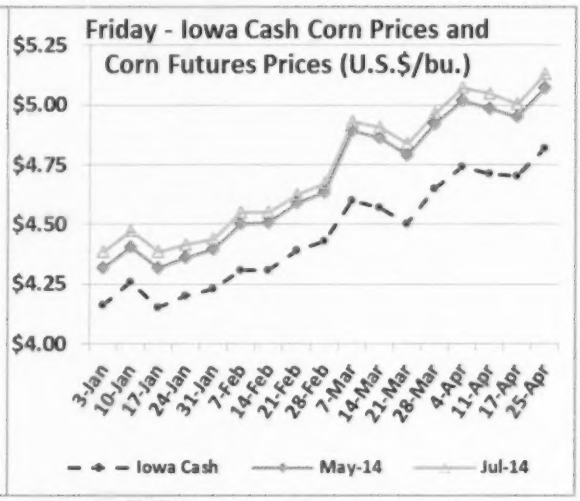
Futures Markets

Lean hog futures prices were lower last week after rebounding the previous week. The May-to-August 2014 lean hog futures contracts decreased between US$0.300 and US$2.575 per cwt last week. The nearby May lean hog futures contract had the largest decline at US$2.575 per cwt to settle Friday at US$120.925 per cwt. The Friday Iowa/Minn average daily cash price was US$111.70 per cwt, US$9.22 per cwt lower than the May's lean hog futures price.

Prices for other United States nearby commodity futures were higher for corn, wheat and gold, but lower for soybeans and crude oil, week-over-week.



Source: CME



Source: CME

Iowa cash corn prices and the nearby corn futures prices moved higher over the week. The Iowa cash price on Friday was US$4.82 per bushel, up 12 cents from US$4.70 per bushel the previous Thursday. The May corn futures contract was up over 12 cents to settle Friday at US$5.07 per bushel while the July contract was also up over 12 cents to settle Friday at $5.13 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week for the week ending April 26 were estimated at 1.999 million head, down slightly from 2.002 million head a week ago, and down 6.8 per cent from 2.145 million head from the same week a year ago. U.S. hogs slaughtered over the last four weeks ending April 26 averaged 2.008 million head, down 5.1 per cent from 2.115 million head the same four week period a year ago. Dressed hog weights continue to be higher and were 215 lb. last week, about 7 lb. or 3.4 per cent higher than year ago hog weights.

In Canada, federal and provincial hog slaughter numbers for the shorter Good Friday week ending April 19, 2014 were estimated at 358,865 head, down 8.5 per cent from 392,355 head the previous week, and down 12.1 per cent from 408,417 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending April 19 were estimated to average 390,453 head, down 1.0 per cent from 394,338 head over the same period a year ago.

In Western Canada, federal and provincial hog slaughter numbers for the shorter Good Friday week ending April 19, 2014 were estimated at 138,473 head, down 16.7 per cent from 166,278 head the previous week, and down 17.9 per cent from 168,704 head the same week a year ago. Western Canadian hogs slaughtered over the last four weeks ending April 19 were estimated to average 159,501 head, down 2.3 per cent from 163,331 head over the same period a year ago.

Meat Production

U.S. pork production for the week ending April 26 was estimated at 429.9 million lb., up slightly from 429.6 million lb. the previous week, but down 3.5 per cent from 445.5 million lb. the same week a year ago. Pork production over the last four weeks ending April 26 was estimated to average 431.8 million lb., down 1.7 per cent from 439.4 million lb. over the same four week period a year ago.

U.S. beef production for the week ending April 26 was estimated at 462.8 million lb., up 2.9 per cent from 449.6 million lb. the previous week, but down 4.9 per cent from 486.8 million lb. over the same week a year ago.

For the week ending April 19, U.S. production of chicken was estimated at 861.0 million lb., down 5.8 per cent from 914.3 million lb. the previous week, and down 3.2 per cent from 889.5 million lb. during the same week a year ago.

Turkey production for the same week was estimated at 107.3 million lb., down 18.1 per cent from 131.1 million lb. the previous week, and down 20.7 per cent from 135.4 million lb. during the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending April 19, 2014, was estimated at 1.899 billion lb., down 1.5 per cent from 1.927 billion lb. over the same four weeks a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on April 22, 2014. The United States' pork stocks in cold storage totaled 575.2 million lb. on March 31, 2014, down 12.1 per cent from 654.7 million lb. on February 28, 2014, and down 11.2 per cent from 647.9 million lb. on March 31, 2013. Frozen bellies in storage were 79.7 million lb, down 9 per cent from February 2014 but up almost 55 per cent from March 2013.

The U.S. beef stocks in cold storage totaled 404.8 million lb. on March 31, 2014, down 1.2 per cent from 409.5 million lb. on February 28, 2014, and down 20.8 per cent from 511.2 million lb. on March 31, 2013.

Chicken in cold storage totaled 588.2 million lb. on March 31, 2014, down 13.6 per cent from 680.9 million lb. on February 28, 2014, and down 6.4 per cent from 628.1 million lb. on March 31, 2013.

Turkey in cold storage totaled 335.9 million lb. on March 31, 2014, up 8.1 per cent from 310.8 million lb. on February 28, 2014, but down 16.3 per cent from 401.2 million lb. on March 31, 2013.

U.S. combined pork, beef, chicken and turkey stocks in cold storage totaled 1.904 billion lb. on March 31, 2014, down 7.4 per cent from 2.056 billion lb. on February 28, 2014, and down 13.0 per cent from 2.188 billion lb. on March 31, 2013.

United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**March 31, 2013**	**February 28, 2014**	**March 31, 2014**
Pork	647,784	654,712	575,223
Beef	511,233	409,506	404,754
Chicken	628,133	680,944	588,173
Turkey	401,246	310,755	335,898
Total Combined	**2,188,396**	**2,055,917**	**1,904,048**

Source: NASS

Cutout Values

The U.S. pork cutout values for the week ending April 26, 2014 averaged US$117.35 per cwt, down US$4.39 per cwt or 1.6 per cent from US$121.74 per cwt from the previous week, but up 35.4 per cent from US$86.68 per cwt the same week a year ago. Lower pork cutout values over the last three weeks have pushed hog prices lower.

Average beef cutout values (Choice 600-900 lb.) for the week ending April 26 averaged US$231.91 per cwt, up US$7.54 from US$224.47 per cwt from the previous week, and up 21.0 per cent from US$191.63 per cwt the same week a year ago.

Chicken values (breasts) for the week ending April 26, 2014 averaged US$176.38 per cwt, up US$3.59 per cwt from US$172.79 per cwt the previous week, and up 4.0 per cent from US$169.65 per cwt the same week a year ago. Chicken prices have increased noticeably over the last few weeks.

Turkey (hens) values for the week ending April 26, 2014 averaged US$105.11 per cwt, up US$3.33 per cwt from US$101.78 per cwt the previous week, and up 6.7 per cent from US$98.48 per cwt the same week a year ago. (Source: LMIC)

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